

The Role of Oil as an Economic Tool in the Foreign Policy of the Islamic Republic of Iran over the Years 1979 to 2013

zia ghayouri*,

Abstract Countries exploit varieties of tools at their disposal to execute the foreign policy one of which is the economy. Considering the expansion of economic relations and its globalization especially in today's world, such tools have gained utmost importance and are widely used to carry out foreign policy. Economic tools have certain capacities in oil-based countries regarding foreign policy. Such countries have access to huge supply of natural resources that other nations demand but on the other hand are largely dependent on oil income which in turn can cause limitations on their foreign policy. Islamic republic of Iran is among such countries possessing oil and gas resources and it is economically dependent on these resources, hence has an oil-based economy. Studies suggest that oil economy provides Iran with numerous tools and opportunities to accomplish its foreign policy such as: 1- Rationing 2- Financial aids 3- Granting facilities 4- Sanctioning 5- Blocking assets and expropriation 6- Blocking Strait of Hormuz 7- Reduction or suspension of foreign aids 8- Repealing or suspension of oil Privileges 9- Iran's oil stock market 10- decreasing oil production. At the same time oil economy forces its limitations on foreign policy: 1- Personalization of foreign policy 2- Costly foreign policy tracing 3- Increase of International pressures 4- decline and reduction of economic growth 5- Foreign policy being influenced by structure and policies of oil industry 6- Absence of trust in foreign policy 7- Causing conflict and contradiction in Islamic Republic's foreign policy. Therefore oil economy has its advantages and disadvantages regarding foreign policy. Given these ups and downs, there is a need to codify an energy diplomacy for Islamic Republic of Iran in order to accomplish the most using the chances which oil economy offers and simultaneously reduce the negative effects of such economy. **Keywords:** Islamic Republic of Iran, Foreign Policy, Foreign Policy

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